

Quarterly Progress Report

Project Title:	Impact of Rail Grant Program		
NJDOT PROJECT NUMBER: 2011-11		NJDOT RESEARCH PROJECT MANAGER: Aly Meleis	
TASK ORDER NUMBER: 267		PRINCIPAL INVESTIGATOR: Dr. Kaan Ozbay	
Project Starting Date: 5/1/2011 Original Project Ending Date: 11/1/2012 Modified Completion Date:		Period Starting Date: 1/1/2012 Period Ending Date: 3/31/2011	

1. Project Progress Summary

<u>Task No.</u>	<u>Task Description</u>	<u>Percent of Total Project Budget</u>	<u>Cost of Task</u>	<u>% of task this quarter</u>	<u>Cost this quarter</u>	<u>% of task to date</u>	<u>Total Cost to date</u>
1	Review of Rail Grant Program	8%	\$20,964	20%	\$4,193	100%	\$20,964
2	Collect and Process Related NJDOT Data	13%	\$34,941	35%	\$12,229	100%	\$34,941
3	Review and Analyze NJDOT Award Criteria	10%	\$27,953	15%	\$4,193	50%	\$13,976
4	Interviews	10%	\$26,837	10%	\$2,684	10%	\$2,684
5	Economic Analysis of Grant Program Impacts	25%	\$66,533	10%	\$6,653	10%	\$6,653
6	Comprehensive Evaluation of Program	14%	\$38,581	5%	\$1,929	5%	\$1,929
7	Recommendations	10%	\$25,720	0%	\$0	0%	\$0
8	Project Management and Final Report	10%	\$26,837	10%	\$2,684	30%	\$8,051
Total		100%	\$268,365	13%	\$34,565	40%	\$89,198

2. Project Overview

Project Objectives

This research project studies the NJDOT Rail Grants program with the goal of developing a methodology for evaluating project applications in terms of their full benefits to the railroad industry and the economy of New Jersey. The proposed work plan will address the following items:

- NJDOT's Grant Program Applicants, Funded Projects, and Selection Criteria
- Other similar programs and their evaluative measures
- Impacts of the past funded projects
 - o Impacts to shippers, receivers, and railroad operators
 - o Impacts to the economy
 - o Impacts to NJ highways

The proposed work plan will be executed with a combination of data collection, industry/partner outreach, and modeling. The rail grants program will first be studied and the available data processed and analyzed. Then surveys will be conducted with freight rail operators and users, with a focus on short line operations. The economic impacts of the past grants will be studied empirically, and a trucking industry impact model will be developed. Following that, transportation modeling tools will be used to estimate the impact of the short line industry on the highways of New Jersey, and the traffic impacts will be quantified in economic terms.

Cost/benefit analysis is proposed for the evaluation of the past grants, to determine which types of grants provided the most significant impact. Based on these findings, recommendations will be made to DOT on the future directions of the program in terms of types of projects to be selected for funding. From this analysis, a methodology will be developed for the agency to evaluate project applications in the future. Thus, this work plan will ensure that a detailed study of the problem from all perspectives is performed, providing NJDOT broad and useful analysis framework for project evaluation.

3. Description of Work Completed by Task over This Period

Task 1 — Review of Rail Grant Program

- The literature review phase has been completed; however the research team is continuously learning more about rail grant programs around the country and will add to the findings as necessary.

Task 2 — Collect and Process Related NJDOT Data

- The research team tabulated and conducted basic analysis of the “grand summary file” which provided 6 years of complete cost data for all projects under the rail grants program.
- Lists of top grant recipients and projects were compiled, including failure/success rates of applications.
- The data collection phase has been completed.

Task 3 — Review and Analyze NJDOT Award Criteria

- Benefit/Cost tools and criteria used by other states were examined. PA’s tool was reviewed based on available information, and NY’s tool was reviewed in depth. Other states will be contacted to understand their methodologies.

Task 4 — Interviews

- A formal interview was held with Miki Krakauer of NJDOT – Freight to learn outstanding questions about the program on 2/28/12.
- Interviews were conducted with New York and Pennsylvania grants program administrators to discuss their program provisions and recent studies conducted.
- A list of railroads and business to conduct interviews with has been identified. Research team has requested a formal letter from NJDOT authorizing research team to conduct interviews, and persuade businesses to cooperate.

Task 5 — Economic Analysis of Grant Program Impacts

- The research team has identified 3 benefit/cost tool methodologies and is studying them for application to this study.

- IMPLAN
- REMI
- RIMS II

Task 6 — Comprehensive Evaluation of Program

- N/A

Task 7 — Comprehensive Evaluation of Program

- N/A

Task 8 — Project Management and Final Report

- Progress meetings were held with the new project manager on 2/24/12 and 3/19/12 to introduce the project and describe work performed.
- 3rd quarter meeting is scheduled for 4/9/12.

4. Proposed activities for next quarter by task:

Task 1 — Review of Rail Grant Program

- The literature review has been completed. The research team will continue to update the findings with any new information found as necessary.
- The results of the review have been compiled into the first technical memo.

Task 2 — Collect and Process Related NJDOT Data

- This task has been completed. A unified database has been compiled and the top recipients and successes/failures of grants have been identified.
- The data and findings have been compiled to the first technical memo.

Task 3 — Review and Analyze NJDOT Award Criteria

- Research team has completed compiling NJDOT scoring records.
- Currently identifying key factors in determining award recipients and the successful applicants/awardees, currently in progress, will be completed.

- Other states will be contacted to learn more on their benefit/cost methodologies, as well as research into the evaluations is being conducted, to be compared against NJDOT's program criteria.
- A second technical memo will be prepared during the next quarter summarizing the key findings.

Task 4 — Interviews

- Other states such as Maryland, Virginia, and Washington will be contacted for possible interviews, as per NJDOT direction.
- Academic researchers/industry experts will be contacted for consulting on the benefits/weaknesses of rail grants programs.
- The list of candidate railroads and businesses has been compiled for interviews, and the top recipients and applicants will be contacted.

Task 5 — Economic Analysis of Grant Program Impacts

- The team will continue review economic analysis methodologies, and will begin developing economic analysis models based on the information learned by the research team.

Task 6 — Comprehensive Evaluation of Program

- N/A

Task 7 — Recommendations

- N/A

Task 8 — Project Management and Final Report

- Third quarter progress meeting will be scheduled for April 2012.

5. List of deliverables provided in this quarter by task:

- A technical memorandum has been completed. This tech memo summarizes the findings of the literature review and background search, as well as the data obtained

from NJDOT. The research team will continue to update this tech memo based on additional findings.

6. Progress on Implementation and Training Activities:

- N/A

7. Problems/Proposed Solutions:

- N/A

8. Project Summary:

Original Project Budget (Year 1&2)	\$268,365
Modified Project Budget	-
Total Project Expenditure to date	\$89,198
% of Total Project Budget Expended	33%

NJDOT Research Project Manager Concurrence: _____ Date: _____